

**DEPARTMENT OF COMMERCE  
SUMMARY OF PUBLIC HEARING COMMENTS AND AGENCY RESPONSE**

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Clearinghouse Rule Number: 09-082		Hearing Location: Madison, Wisconsin	
Rule Number: Chapter Comm 129		Hearing Date: October 27, 2009	
Relating to: Tax Credits for Angel Investments and Early Stage Seed Investments			
Comments: Oral or Exhibit No.	Presenter, Group Represented, City and State	Comments/Recommendations	Agency Response
Oral and 1	Ron Kuehn BioForward Madison, Wisconsin	Strongly supports the proposed rules, which are important updates to a critical economic development tool. The stage is set for communities across Wisconsin to benefit from innovative businesses that are developing cutting-edge technologies.	Support is noted.
		States section Comm 129.12 (3) (b) 3. is a welcome provision that is intended to hold program participants accountable for the wise use of the program’s credits and to provide protections to the program’s integrity from possible bad actors. The Department has flexibility through this section to restrict potential investments from out-of-state investors with little experience or insignificant connections to the State. This limitation should ensure that the participants act in a manner which furthers the purposes of the program. If an out-of-state investor is unknown or inexperienced, this section requires a significant investment from an experienced, in-state source. Also, a minimal side-by-side investment by a small, inexperienced in-state investor will be required if a highly reputable, out-of-state firm wants to invest in a certified company. Hopes the Department’s flexibility to allow some smaller, inexperienced in-state investors to partner with larger, out-of-state investors will enable the in-state investors to grow into larger investors. Recommends adding a Note that makes this intent clear to all program participants.	Agree. The Note has been added.
		States Comm 129.13 correctly identifies the maximum limits for each of the tax credits on an annual calendar basis, but it does not provide the Department with desirable options if all available credits are issued before the expiration of the calendar year and a worthy qualified investment application is submitted within that same year. Recommends modifying the rule to enable the Department to approve the investment’s eligibility for tax credits and to guarantee the issuance of the credits at the beginning of the next calendar year. It would not be in the State’s best interest to have quality investors sit on the sidelines for part of a year because all of the credits were already issued for that calendar year.	Agree. The rule has been changed as recommended.
Oral	Ralph Kauten Quintessence Biosciences Madison, Wisconsin	States the process that was used in developing both the proposed rules and the statutory changes which preceded them was very democratic and resulted in an admirable product. Supports the two changes recommended by BioForward.	Support is noted.

*File reference: Comm 129/Hearing summary*